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Japan's GNP Jumps In 1991's First Quarter

In early 1973 the Japanese economy was in the final stages of what now is known as its period of rapid growth. In the first quarter of 1973 the real gross national product was up 3.2 percent over the October-December 1972 period. Within months the first oil shock would hit and prices would spiral temporarily out of control. Since then Japan's economy never has shown the sustained growth it experienced during nearly two decades up to 1973.

Fast forward to the first quarter of 1991. The Japanese economy grew an inflation-adjusted 2.7 percent for the three-month period or 11.2 percent on an annualized basis, the fastest quarterly pace of expansion since that period exactly 18 years ago (see Table). This apparently vibrant performance was all the more remarkable because most analysts believed that the Japanese economy was sluggish at best; a few even had hinted that Japan was in a recession. Given the international context, where nations such as the United States had to endure a shrinking GNP over the same period, any growth at all would have been a good performance.

Trade and Payments Data

(In millions of dollars unless otherwise indicated)

	1989	1990	January-March 1990	January-March 1991	January 1991	February 1991	March 1991
Japan's Balance of Payments							
Trade Balance	$76,917	$63,528	$14,393	$20,383*	$3,010*	$6,885*	$10,488*
Exports (f.o.b.)	269,570	280,374	65,460	74,886*	21,523*	24,293*	29,070*
Imports (f.o.b.)	192,653	216,846	51,067	54,503*	18,513*	17,408*	18,582*
Current Account Balance	57,157	35,761	12,305	10,360*	-33*	6,085*	4,308*
Long-Term Capital (net)	-89,246	-43,586	-16,086	10,612*	-2,936*	5,962*	7,586*
Overall Balance	-33,286	-7,234	-66	8,129	-5,237	8,585	4,781
International Reserves (end of period)	84,895	77,053	73,496	69,894	77,520	77,974	69,894
Japan's Customs Clearance Trade							
Trade Balance	64,328	52,149	12,322	14,564	948	5,088	8,528
Exports (f.o.b.)	275,175	286,948	66,705	76,384	21,831	24,988	29,565
Cars	38,804	41,348	10,545	11,801	3,827	3,889	4,085
Steel	14,789	12,509	2,912	3,191	934	1,010	1,247
Imports (c.i.f.)	210,847	234,799	54,383	61,820	20,883	19,900	21,037
Crude Oil	21,544	31,584	6,917	10,595	3,407	3,170	4,019
Manufactured Products	106,111	118,028	27,228	29,427	10,035	9,760	9,633
Japan-U.S. Trade							
Trade Balance	44,943	37,954	8,908	9,077	2,397	2,863	3,817
Exports (f.o.b.)	93,189	90,322	21,661	22,325	6,671	7,416	8,237
Imports (c.i.f.)	48,246	52,369	12,754	13,247	4,274	4,553	4,421
Yen-Dollar Exchange Rate (average for period)	Y137.96	Y144.79	Y147.90	Y133.85	Y133.88	Y130.48	Y137.20
U.S. Trade							
Trade Balance	-109,399	-101,009	-22,150	-13,223	-7,017	-4,333	-1,873
Exports (f.a.s.)	363,812	393,894	97,372	102,630	33,150	32,683	36,797
Imports (Customs)	473,211	494,903	119,522	115,853	40,167	37,016	38,670
U.S.-Japan Trade							
Trade Balance	-49,059	-41,071	-9,602	-10,196	-3,462	-3,159	-3,575
Exports (f.a.s.)	44,494	48,585	11,963	12,323	3,820	4,263	4,241
Imports (Customs)	93,553	89,655	21,565	22,519	7,281	7,422	7,816

*Preliminary

Japanese Economic Indicators

(percent change from year-earlier period unless otherwise indicated)

	1989	1990	January-March 1990	January-March 1991	January 1991	February 1991	March 1991
Discount Rate (end of period)	4.25%	6.0%	5.25%	6.0%	6.0%	6.0%	6.0%
Outstanding Money Supply	9.9%	11.7%	11.7%	6.0%	7.4%	5.5%	5.1%
Industrial Production	6.1%	4.6%	1.8%	5.9%	7.8%	6.7%	3.5%
Manufacturing Operating Rate	2.2%	2.3%	0.4%	2.1%	4.6%	2.1%	-0.4%
Number of Bankruptcies	-28.5%	-10.6%	-29.3%	49.0%	41.8%	51.1%	53.8%
Residential Construction Starts	-1.3%	2.7%	2.9%	-11.4%	-4.2%	-12.5%	-16.3%
Job Openings to Applications (ratio)	1.26	1.40	1.35	1.46	1.44	1.46	1.47
Nominal Wages	4.1%	4.7%	4.4%	3.3%	0.5%	4.9%	4.8%
Manufacturing Labor Productivity	6.2%	4.2%	2.6%*	7.5%*	7.5%	n.a.	n.a.
Wholesale Prices	2.5%	2.0%	3.7%	1.6%	2.1%	1.6%	1.0%
Consumer Prices	2.3%	3.1%	3.4%	4.1%	4.5%	3.9%	4.0%
Yen-Based Export Prices	4.4%	2.1%	6.6%	-4.0%	-3.1%	-4.4%	-4.6%
Yen-Based Import Prices	7.7%	8.6%	12.9%	1.1%	8.1%	0.9%	-5.5%

*Through January of each year only.

For Japan's latest GNP figures, see JEI Report No. 24B, June 28, 1991.

NOTE

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